

NEW APPLICATION

ORIGINAL



0000099707

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

Arizona Corporation Commission

DOCKETED

JUN 12, 2009

DOCKETED BY	ne
-------------	----

E-01461A-09-0312

E-01933A-09-0312

IN THE MATTER OF THE JOINT
APPLICATION OF TRICO ELECTRIC
COOPERATIVE, INC., AN ARIZONA
NON PROFIT CORPORATION AND
TUCSON ELECTRIC POWER COMPANY,
AN ARIZONA CORPORATION FOR AN
ORDER APPROVING A BORDERLINE
AGREEMENT

DOCKET NO. E-01461A-09-

DOCKET NO. E-01933A-09-

JOINT APPLICATION

COME NOW TRICO ELECTRIC COOPERATIVE, INC., an Arizona nonprofit corporation ("TRICO") and TUCSON ELECTRIC POWER COMPANY, an Arizona corporation ("TEP"), Joint Applicants herein, and allege to this Arizona Corporation Commission ("Commission") as follows in support of this Joint Application:

I.

TRICO is a public service corporation engaged in the distribution of electricity for the purpose of serving its customers located within a specifically designated service area in portions of Pima, Pinal and Santa Cruz Counties, Arizona, pursuant to certificates of convenience and necessity issued to Trico by the Arizona Corporation Commission ("TRICO's Service Area").

II.

TEP is a public service corporation engaged in the generation, transmission and distribution of electricity for the purpose of serving its customers located within a specifically designated service area in portions of Pima and Cochise Counties, Arizona, pursuant to certificates of convenience and necessity

1 issued by the Commission ("TEP's Service Area").

2 III.

3 Mr. James E. Davis ("Customer"), a residential customer of TRICO has formally requested that
4 TRICO grant TEP permission to provide electric service to Mr. Davis' real property located in TRICO's
5 Certificate of Convenience & Necessity ("CC&N"). TEP's facilities exist in close proximity to Mr.
6 Davis' property and service can be provided at no charge because the distance to serve said property is
7 less than the 500 feet distance allowance set forth in TEP's tariff, whereas the nearest TRICO's facilities
8 that can provide the requested single-phase service are more than 1,970 feet to the property, the cost of
9 the line extension to the consumer pursuant to TRICO's applicable tariff is approximately \$45,508.00.
10 A second service will be provided to the Customer at an approximate cost of \$112.00. Accordingly, it is
11 in the best interest of Mr. Davis that TEP serve the residential property until such time as TRICO
12 determines that it is economically feasible to serve the property.

13 IV.

14 TRICO and TEP have entered into an agreement (the "Agreement"), attached hereto as Exhibit
15 "B" in order that TEP may provide electric service to Mr. Davis' property. Pursuant to the Agreement,
16 TRICO reserves the right to provide electric service to Mr. Davis when TRICO determines that it is
17 economically feasible to do so. In the event TRICO determines to provide such service, TRICO will
18 compensate TEP for any of TEP's facilities, which could be used by TRICO in providing service to the
19 Customer. TRICO and TEP request that the Commission approve the Agreement.

20 V.

21 TRICO and TEP each provide public utility electric service in other areas of Pima County,
22 Arizona, pursuant to certificates of convenience and necessity issued by this Commission, and each
23 utility is qualified and able to provide satisfactory public utility electric service in the respective area.

24 VI.

25 Applicants TRICO and TEP believe that the Agreement will be consistent with and promotes the
26

1 public interest and will be in the best interest of the Customer and will enable the Customer to more
2 efficiently and economically be provided electric service.

3 VII.

4 There is no existing line extension or other agreements pertaining to electric service to the area
5 where the Customer is located, nor are there any facilities, easements or rights-of-way to be transferred
6 in the event the Agreement is approved.

7 VIII.

8 Notice of this Joint Application will be sent to Mr. Davis.

9 IX.

10 The corporate officers of applicants TRICO and TEP are the same as presently on file with the
11 Commission.

12 X.

13 The financial statements of applicants TRICO and TEP are the same as presently on file in the
14 Utilities Division of the Commission.

15 WHEREFORE, the Joint Applicants respectfully request the Commission to issue its order
16 approving the Agreement.

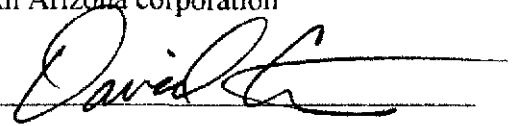
17 RESPECTFULLY SUBMITTED this 12th day of JUNE, 2009.

18
19 TRICO ELECTRIC COOPERATIVE, INC.,
20 An Arizona nonprofit corporation

21 By Charles N. Emerson
22 Charles N. Emerson
23 Manager of Technical Service
24 8600 West Tangerine Road
25 P.O. Box 930
26 Marana, Arizona 85653
27
28

TUCSON ELECTRIC POWER COMPANY,
An Arizona corporation

By



David Couture
Director, Regulatory Services
One South Church Avenue
Post Office Box 711, Mail Stop UE201
Tucson, Arizona 85702

Original and 13 copies of the
foregoing mailed this 12th day
of June, 2009, to:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing mailed
this 12th day of June,
2009, to:

Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ernest G. Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

BY:
David Couture
Director, Regulatory Services
Tucson Electric Power Co.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT "A"

The real property is located at SE 1/4, NE 1/4, Sec. 20, T11S, R13E, G&SRB&M, Pima County, Arizona.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT "B"

ELECTRIC SERVICE AUTHORIZATION AGREEMENT

THIS ELECTRIC SERVICE AUTHORIZATION AGREEMENT (this "Agreement") is entered into this 12th day of June, 2009, by and between TRICO ELECTRIC COOPERATIVE, INC., an Arizona non profit corporation ("TRICO"), and TUCSON ELECTRIC POWER COMPANY, an Arizona corporation ("TEP").

RECITALS:

1. The real property is located at SE 1/4, NE 1/4, Sec. 20, T11S, R13E, G&SRB&M, Pima County, Arizona, described in Exhibit "A" attached hereto (the "Subject Area") is within the area of TRICO's Certificates of Convenience and Necessity issued by the Arizona Corporation Commission ("Commission");
2. Mr. James E. Davis, a resident of Pima County, Arizona, ("Customer") has requested that electric service be provided to the Subject Area;
3. TRICO has given Written Authorization whereby TEP may temporarily service the Customer in the Subject Area; and
4. In TRICO's opinion, because of current conditions, it is currently beneficial to the Customer for TRICO to permit TEP to temporarily provide electric service to the Customer's real property which TEP is willing to provide as hereafter agreed.

PROMISES AND COVENANTS:

NOW, THEREFORE, in consideration of the foregoing recitals and in further consideration of the following covenants, promises, and provisions, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their agents, employees, successors and assigns, do hereby agree as follows:

5. TEP is hereby authorized by TRICO to enter the Subject Area, certificated to TRICO, and

1 **PROMISES AND CONVENANTS:**

2 NOW, THEREFORE, in consideration of the foregoing recitals and in further consideration of
3 the following covenants, promises, and provisions, the receipt and sufficiency of which are hereby
4 acknowledged, the parties hereto, for themselves, their agents, employees, successors and assigns, do
5 hereby agree as follows:

- 6 5. TEP is hereby authorized by TRICO to enter the Subject Area, certificated to TRICO, and
7 construct and maintain electric service lines and facilities necessary to serve the Customer until
8 such time as TRICO notifies TEP in writing of its intention to provide service.
- 9 6. Upon receiving written notice of TRICO's intention to serve the Customer, TEP will sell to
10 TRICO and TRICO will, subject to the provisions of paragraph 7 below, purchase all of TEP's
11 electric lines and facilities within the Subject Areas which are compatible with TRICO's electric
12 system and which can be utilized by TRICO at original cost, depreciated at the rate of 3.32% per
13 year, and TEP will discontinue providing electricity service in the Subject Area. Any remaining
14 TEP facilities that are not purchased by TRICO will be removed from Subject Area by TEP, at
15 no cost to the Customer.
- 16 7. If the sale of TEP's facilities to TRICO is subject to prior approval by the Commission, TEP will
17 use its best efforts to obtain said sale approval.
- 18 8. *Nothing in this Agreement precludes TRICO from serving within the Subject Area with TRICO*
19 *facilities.*
- 20 9. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their
21 respective successors in interest and assigns, whether arising voluntarily or by operation of law.
- 22 10. This Agreement shall become effective when approved by the Commission.

1 IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first
2 above written.

3 TUCSON ELECTRIC POWER COMPANY,
4 an Arizona corporation

5 By David Couture
6 Its Director of Regulatory Services

TRICO ELECTRIC COOPERATIVE,
INC., an Arizona nonprofit corporation

By Charles N. Emerson
Its Manager of Technical Service

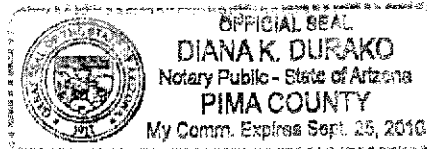
7
8 STATE OF ARIZONA)
9) ss.
10 COUNTY OF PIMA)

11 The foregoing instrument was acknowledged before me this 11th day of June, 2009,
12 by David Couture, Director of Regulatory Services of TUCSON ELECTRIC POWER COMPANY, an
13 Arizona corporation, on behalf of the corporation.

Diana K. Durako
Notary Public

14 My Commission Expires:

15 9-25-2010



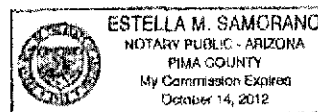
17
18 STATE OF ARIZONA)
19) ss.
20 COUNTY OF PIMA)

21 The foregoing instrument was acknowledged before me this 11th day of June, 2009,
22 by Charles N. Emerson, Manager of Technical Service of TRICO ELECTRIC COOPERATIVE,
23 INC., an Arizona nonprofit corporation, on behalf of the corporation.

Estella M. Samorano
Notary Public

24 My Commission Expires:

25 OCT. 14, 2012



ORIGINAL

Page 1

ELECTRIC RATES

TRICO ELECTRIC COOPERATIVE,
INC. 8600 W. Tangerine Road
Marana, Arizona 85653
Filed by: Mark Schwirtz
Title: CEO/General Manager

Effective Date: March 20, 2008

STANDARD OFFER TARIFF RESIDENTIAL SERVICE SCHEDULES RS-1 AND RS-1 TOU

Availability

Pursuant to Arizona Corporation Commission Decision No. 70212, issued and effective March 20, 2008, participation in Standard Offer Tariff, Residential Service, Time-of-Use Rate RS-1 TOU is frozen and no customer may receive service under such Rate until further order of the Commission. Otherwise, in the Cooperative's Certificated Area where its facilities are of adequate capacity and the required phase and suitable voltage are in existence and are adjacent to the premises served.

Application

The Residential Service Rate (RS-1) is applicable for residential purposes in individual private dwellings and in individually metered apartments, condominiums, and similar residential units, when such service is supplied at one premise through one point of delivery and measured through one meter.

Not applicable to resale or standby. This rate may be applicable to three (3) phase service used for domestic purposes only. Three phase service is required for motors of an individual rating capacity of 10 H.P. or more.

Type of Service

The type of service available under this schedule will be determined by the Cooperative and will normally be:

120/240 volt single phase or 120/208 volt three phase

Monthly Rate

STANDARD RATE RS-1	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo) Single-Phase		\$4.90	\$1.13	\$4.37	\$1.60	\$12.00	\$12.00
Three-Phase		\$4.90	\$1.13	\$4.37	\$1.60	\$12.00	\$12.00
Energy Charge (\$/kWh) All kWh/month	\$0.06338	\$0.03264				\$0.03264	\$0.09602

APPROVED FOR FILING

DECISION #: 70212

ORIGINAL

RESIDENTIAL SERVICE SCHEDULES RS -1 AND RS -1 TOU

TIME-OF-USE RATE RS -1 TOU	Power Supply	Distribution Charges					Total Rate
		Metering	Meter Reading	Billing	Access	Total	
Customer Charge (\$/Customer/Mo)							
Single Phase		\$5.53	\$1.13	\$4.37	\$4.97	\$16.00	\$16.00
Three Phase		\$5.53	\$1.13	\$4.37	\$4.97	\$16.00	\$16.00
Energy Charge (\$/kWh)	50.06919	50.05225				\$0.05225	50.12144
Off-Peak kWh	\$0.01498	\$0.01646				5.01646	\$0.04144

Definition of On-Peak

April 1 through October 31: For this rate schedule, on-peak hours are 1:00 p.m. to 9:00 p.m., Monday through Friday. All other hours, including Saturday, Sunday and *holidays, are considered to be Off-Peak.

November 1 through March 31: For this rate schedule, on-peak hours are 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m., Monday through Friday. All other hours, including Saturday, Sunday and *holidays, are considered to be Off-Peak.

Minimum Monthly Charge

The greater of the following, not including any wholesale power cost adjustor or any other adder approved by the Arizona Corporation Commission:

1. The Customer Charge;
2. \$1.00 per WA of required transformer capacity;
3. The amount specified in the written contract between the Cooperative and the customer

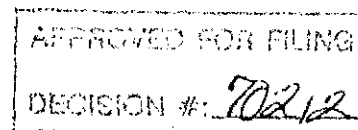
Tax Adjustment

To the charge computed in this rate schedule, including all adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Cooperative and/or the price or revenue from the electric energy or service sold and/or the volume of energy purchased for sale and/or sold hereunder.

Wholesale Power Cost Adjustment

The Cooperative shall, if purchased power cost is increased or decreased above or below the base purchased power cost of \$0.06268 per kWh sold, flow through such increases or decreases to all classes of customers.

In addition to the foregoing, all kWh sold to each customer under this rate schedule shall be subject to an additional temporary wholesale power cost adjustment, if any, that may be charged the Cooperative by its supplier of electricity which consists of an additional surcharge, a temporary credit and/or a fuel bank surcharge.



ORIGINAL

Page 3

RESIDENTIAL SERVICE SCHEDULES RS -1 AND RS -1 TOU

Rules and Regulations

The Rules and Regulations and Line Extension Policies of the Cooperative as on file with the Arizona Corporation Commission shall apply to this rate schedule.

Upon application for service or upon request, the Cooperative will assist the customer in selecting the rate schedule best suited to his requirements, but the Cooperative does not guarantee the customer will be served under the most favorable rate schedule. Upon written notification of any material changes in the customer's installation, load conditions or use of service, the Cooperative will assist in determining if a change in rates is desirable. No more than one (1) such change at the customer's request will be made within any twelve (12) month period.

Contract

If service- is requested in the Cooperative's Certificated Area and the provisions outlined in the Availability Clause of this rate tariff cannot be met, it will be necessary for the Cooperative and customer to mutually agree, in a written contract, on the conditions under which service will be made available.

Service Availability Charge

A Service Availability Charge to be paid by the customer to the Cooperative may be included in the contract to reimburse the Cooperative for its operating expenses with regard to idle or standby services in connection with the facilities constructed or installed pursuant to the contract based upon the Cooperative's estimate of its actual operating costs for such idle or standby services.

Environmental Portfolio Standard (EPS) Charge

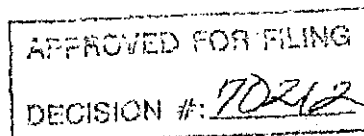
The Cooperative shall add to its bill an EPS charge in accordance with the approved EPS tariff to help offset the costs associated with TRICO programs designed to promote alternative generation requirements that satisfy the Environmental Portfolio Standard as approved by the Arizona Corporation Commission. Other charges may be applicable subject to approval by the Arizona Corporation Commission.

Demand Side Management (DSM) Programs; DSM Adjustment Mechanism

The Cooperative shall recover its cost for pre-approved DSM programs through a separate DSM adjustment mechanism which shall provide for a separate and specific accounting for pre-approved DSM costs.

*Definition of Holidays

Holidays are defined as New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.





Pricing Plan R-01 Residential Electric Service

A UniSource Energy Company

AVAILABILITY

Available throughout the Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all single phase or three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter; however, electric water heating may be metered separately.

Not applicable to resale, breakdown, standby, auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

The service shall be single- or three-phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery.

RATE

A monthly net bill at the following rate plus any adjustments incorporated in this pricing plan:

BUNDLED STANDARD OFFER SERVICE

Customer Charge, Single Phase service and minimum bill	\$ 7.00 per month
Customer Charge, Three Phase service and minimum bill	\$13.00 per month

Energy Charges: All energy charges below are charged on a per kWh basis.

Delivery Charge

	Summer (May – October)	Winter (November - April)
First 500 kWh	\$0.046925	\$0.047309
Next 3,000 kWh	\$0.068960	\$0.067309
3,501 kWh and above	\$0.088960	\$0.087309

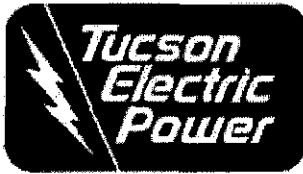
Base Power Supply Charge

Summer, all kWhs	\$0.033198 per kWh
Winter, all kWhs	\$0.025698 per kWh

Purchased Power and Fuel Adjustment Clause ("PPFAC"): The Base Power Supply Charge shall be subject to a per kWh adjustment in accordance with Rider-1 PPFAC to reflect any increase or decrease in the cost to the Company for energy either generated or purchased above or below the base cost per kWh sold.

Filed By: Raymond S. Heyman
Title: Senior Vice President, General Counsel
District: Entire Electric Service Area

Tariff No.: R-01
Effective: December 1, 2008
Page No.: 1 of 3



Pricing Plan R-01 Residential Electric Service

A UniSource Energy Company

BUNDLED STANDARD OFFER SERVICE CONSISTS OF THE FOLLOWING UNBUNDLED COMPONENTS:

Customer Charge:

Meter Services	\$1.51 per month
Meter Reading	\$0.80 per month
Billing & Collection	\$3.29 per month
Customer Delivery	\$1.40 per month

Note: Additional meter service charge of \$6.00 per month for Three Phase Service.

Energy Charges (kWh):

Delivery Charge

	Summer (May - October)	Winter (November - April)
First 500 kWh	\$0.000025	\$0.003076
Next 3,000 kWh	\$0.022060	\$0.023076
3,501 kWh and above	\$0.042060	\$0.043076

Generation Capacity

Summer	\$0.032938 per kWh
Winter	\$0.030271 per kWh

Fixed Must-Run	\$0.003849 per kWh
System Benefits	\$0.000468 per kWh

Transmission	\$0.007525 per kWh
--------------	--------------------

Transmission Ancillary Services

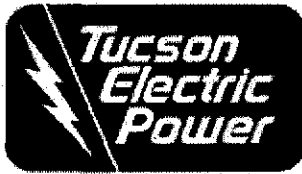
System Control & Dispatch	\$0.000102 per kWh
Reactive Supply and Voltage Control	\$0.000402 per kWh
Regulation and Frequency Response	\$0.000389 per kWh
Spinning Reserve Service	\$0.001055 per kWh
Supplemental Reserve Service	\$0.000172 per kWh
Energy Imbalance Service: currently charged pursuant to the Company's OATT.	

Base Power Supply Charge

Summer	\$0.033198 per kWh
Winter	\$0.025698 per kWh

Filed By: Raymond S. Heyman
Title: Senior Vice President, General Counsel
District: Entire Electric Service Area

Tariff No.: R-01
Effective: December 1, 2008
Page No.: 2 of 3



Pricing Plan R-01 Residential Electric Service

A UniSource Energy Company

DIRECT ACCESS

A customer's Direct Access bill will include all unbundled components except those services provided by a qualified third party. Those services may include Metering (Installation, Maintenance and/or Equipment), Meter Reading, Billing and Collection, Transmission and Generation. If any of these services are not available from a third party supplier and must be obtained from the Company, the rates for Unbundled Components set forth in this tariff will be applied to the customer's bill.

FOR DIRECT ACCESS: ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file with the Arizona Corporation Commission shall apply where not inconsistent with this pricing plan.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate Direct Access charges may be assessed pursuant to any Direct Access fee schedule authorized.

Filed By: Raymond S. Heyman
Title: Senior Vice President, General Counsel
District: Entire Electric Service Area

Tariff No.: R-01
Effective: December 1, 2008
Page No.: 3 of 3